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11/21/01

The Honorable J. Frederick Motz
Garmatz Federal Courthouse
101 West Lombard St.
Baltimore, MD 21201

Dear Judge Motz,

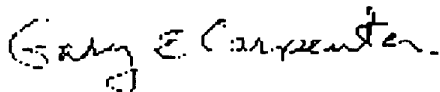
I believe the settlement proposed by Hausfeld *et al* in the Microsoft class action antitrust suit you're going to hear next Tuesday is severely flawed as it is currently described.

Except for the outright donation of funds, all of the provisions of the settlement tend to increase Microsoft's domination of the personal computer market, which seems to contradict the basis of the suit.

While I'm not privy to the details of the goods and services Microsoft is offering, I fear they are valuing these at wholesale or even retail value, while the actual cost of these products is a tiny fraction of these values. For instance, the Office software suite sells for hundreds of dollars but the CDs which Microsoft will presumably provide cost a few cents to manufacture and distribute.

Were Microsoft to offer the "\$1B" in US currency to the schools who will be the beneficiaries of this settlement, those schools would be able to spend the money in ways they determine to be most effective, rather than on exclusively Microsoft products. I'm confident that some of these funds would, indeed, come back to Microsoft, but unless the schools have discretion to spend the largesse at will, the bulk of the settlement, as currently described, will necessarily increase Microsoft's near strangle-hold on the market, perversely in contradiction to the point of the suit in the first place.

Sincerely,



Gary E. Carpenter
Lt Col, USAF (ret)